

Message Text

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ACTION EB-08

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E.O. 11652: N/A
TAGS: EAIR HA
SUBJ: CIVAIR: HAITI CONSIDERING A NATIONAL AIRLINE

1. SUMMARY: THE GOH IS CONSIDERING WAYS TO EXPAND AIR HAITI, PURCHASE JET AIRCRAFT, INITIATE INTERNATIONAL PASSENGER SERVICE, AND NEGOTIATE A BILATERAL AIR TRANSPORT AGREEMENT WITH THE UNITED STATES. END SUMMARY.

2. PRESIDENT DUVALIER RECENTLY ASKED TOURISM DIRECTOR JEAN SAUREL TO HEAD A COMMITTEE STUDYING THE FEASIBILITY OF INTERNATIONAL PASSENGER OPERATIONS BY THE NATIONAL AIRLINE, AIR HAITI (DUVALIER RECENTLY PURCHASED 58 PER CENT OF AIR HAITI). SAUREL TOLD EMBASSY OFFICERS ON MARCH 5 THAT AIRLINE SERVICE TO HAITI IS INADEQUATE AND THAT THE TOURIST INDUSTRY IS SUFFERING. HAITI IS ENTIRELY DEPENDENT ON FOREIGN CARRIERS AND EFFORTS TO PROMOTE TOURISM AND FOREIGN INVESTMENT ARE FRUSTRATED BY INADEQUATE SERVICE AND ARBITRARY AIRLINE DECISIONS. HE CITED EASTERN'S CANCELLATION OF ITS HAITIAN SERVICE IN SEPTEMBER 1976 JUST BEFORE THE TOURIST SEASON AS AN EXAMPLE. IN ADDITION, PAN AMERICAN CANCELLED ITS JET FREIGHTER SERVICE TO HAITI ON MARCH 1, 1978 LEAVING THE COUNTRY WITH INADEQUATE AIR CARGO SERVICE.

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3. THE EMBASSY UNDERSTANDS THAT EASTERN IS SEEKING HAITIAN SUPPORT FOR AN APPLICATION TO THE CAB FOR A NEW SERVICE TO HAITI. DESPITE RESENTMENT ABOUT EASTERN'S UNTIMELY CANCELLATION IN 1976 THE GOH MAY SUPPORT THE APPLICATION. PAN AMERICAN AND AIR FRANCE PROVIDE THE MAIN SERVICE TO MIAMI, ARE CONSISTENTLY OVERBOOKED, FREQUENTLY BUMP PASSENGERS PLANNING TO BOARD IN HAITI IN FAVOR OF THOSE BOARDING

FARTHER DOWN THE LINE, AND ARE DAMAGING HAITI'S TOURIST TRADE. AMERICAN AIRLINES PROVIDES DAILY PASSENGER SERVICE AND WEEKLY JET FREIGHTER SERVICE TO AND FROM NEW YORK. IT TOO IS OVERBOOKED DURING THE TOURIST SEASON (OCTOBER 1 - MAY 1).

4. AMERICAN HAS A WEEKLY JET FREIGHTER SERVICE TO AND FROM NEW YORK. PAN AMERICAN AND AIR FRANCE CARRY ON THEIR PASSENGER SERVICES BUT THERE IS NO LONGER JET FREIGHTER SERVICE TO AND FROM MIAMI. AIR HAITI PROVIDES CARGO SERVICE WITH A FLEET OF ANTIQUE C-46S AND DC-3S. FLEMING HAS PROVIDED WEEKLY SERVICE WITH LOCKHEED ELECTRAS, BUT IS CONSIDERED UNRELIABLE BY LOCAL BUSINESS AND GOVERNMENT OFFICIALS. CHARTER SERVICE HAS BEEN PROVIDED BY VARIOUS AIRLINES. THE GOVERNMENT IS AWARE THAT THE RAPIDLY GROWING ASSEMBLY INDUSTRY NEEDS REGULAR, RELIABLE AIR CARGO SERVICE. INDEED, TRANSPORT BLOCKAGES HAVE IDLED 60 WORKERS AT THE PLANT WITH THE COUNTRY'S MOST SOPHISTICATED TECHNOLOGY AND HIGHEST PAID WORKERS. THE CANCELLATION OF PAN AMERICAN'S JET FREIGHTER SERVICE WAS ONE OF THE FACTORS WHICH PROMPTED THE ONGOING REVIEW OF CIVIL AVIATION.

5. THE BASIC POINTS AT ISSUE ARE (A) WHETHER AIR HAITI SHOULD REMAIN AN AIR CARGO COMPANY; (B) WHETHER IT SHOULD ALSO EVOLVE INTO A REGIONAL PASSENGER CARRIER; OR (C) WHETHER IT SHOULD ACQUIRE LARGE JETS AND TRY TO COMPETE ON "PRESTIGE" ROUTES TO NEW YORK AND MONTREAL. OPTION (A)

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APPEARS UNLIKELY, OPTION (B) IS FAVORED BY FINANCIAL EXPERTS AND ASSISTANCE DONORS AND OPTION (C) IS BEING TOUTED ONLY BY THE MORE "VISIONARY" OF THE PRESIDENT'S FRIENDS.

6. NEWER EQUIPMENT IS NEEDED AS AIR HAITI CANNOT EVEN PROVIDE ADEQUATE AIR CARGO SERVICE. FOKKER HAS MADE AN ATTRACTIVE OFFER FOR ITS DUTCH-BUILT F-28 TWIN JET. IT IS OFFERING TEN-YEAR TERMS, DO DOWN PAYMENT, 9-3/4 PER CENT INTEREST, A REPURCHASE GUARANTEE, AND THE USUAL TRAINING PACKAGE. OTHER PROPOSALS INVOLVE BOEING 727 QC AIRPLANES WHICH COULD BE USED FOR PASSENGERS DURING THE DAY AND FREIGHT IN THE EVENING. THE EMBASSY DOES NOT KNOW WHETHER THE 727 QC PROPOSAL WAS MADE BY BOEING OR BY AN INTERMEDIARY.

7. HAITI RECENTLY SIGNED BILATERAL AIR TRANSPORT AGREEMENTS WITH CANADA AND JAMAICA. IT WANTS TO NEGOTIATE AN AGREEMENT WITH THE UNITED STATES AND IS EXPECTED TO INSTRUCT ITS EMBASSY IN WASHINGTON TO INITIATE TALKS WITH THE DEPARTMENT WITHIN A FEW WEEKS. THE GOH HAS NOT DECIDED WHAT EQUIPMENT IT SHOULD BUY OR WHAT ROUTES IT WILL REQUEST, BUT IS LEANING TOWARD THE CONCEPT OF SHORT RANGE EQUIPMENT TO

PROVIDE REGIONAL SERVICE TO MIAMI, SAN JUAN, SANTO DOMINGO, KINGSTON, NASSAU, ETC. IT PROBABLY WILL ASK FOR ROUTES TO MIAMI, SAN JUAN AND POSSIBLY ATLANTA.

8. THE EMBASSY HAS ENCOURAGED THE GOH TO MAKE A SIMPLE ROUTE REQUEST DIRECTLY TO THE CAB POINTING OUT THE PITFALLS AND DELAYS INVOLVED IN NEGOTIATING A BILATERAL AGREEMENT. NEVERTHELESS, THE GOH THINKS A BILATERAL IS NEEDED TO PROTECT ITS AVIATION INTERESTS. IN ADDITION IT IS AWARE THAT ALL OF ITS NEIGHBORS, HAVE BILATERALS WITH THE U.S. AND VIEWS THE MATTER AS A QUESTION OF PARITY. IT ATTACHES POLITICAL IMPORTANCE TO THE BILATERAL, WOULD BE PREPARED TO TAKE THE TIME TO NEGOTIATE IT, AND EXPECTS THE U.S. AS A MATTER OF EQUITY TO ACCORD IT THE SAME ATTENTION AS ITS NEIGHBORS.

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9. THE EMBASSY WOULD APPRECIATE KNOWING WHETHER THE HAITIAN ROUTE PROPOSAL OUTLINED IN PARA 7 IS REASONABLE.

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